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LISTING STATEMENT No. 2297

LISTED MAY 24, 1968
Stock Symbol "IDR VT"
Post Section 10
Dial Quotation No. 2113

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA

Incorporated by Special Act of the Parliament of Canada, Chapter 102, 14-15-16 Elizabeth II
assented to on the 14th of December, 1966.

483,290 common shares with a par value of Five Dollars (\$5.00) each subject to a Voting Trust Agreement dated 16 January, 1968
April 19, 1968.

CAPITALIZATION AS AT APRIL 19th, 1968

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common Shares of \$5.00 par value	1,000,000	245,920	483,290 common shares represented by Voting Trust Certificates
		(450 held by Directors as qualifying shares 245,470 represented by Voting Trust Certificates)	

1. APPLICATION

Income Disability and Reinsurance Company of Canada (hereinafter called the "Company") hereby makes application for the listing on the Toronto Stock Exchange of 483,290 common shares with par value of \$5.00 each in the capital stock of the Company represented by Voting Trust Certificates of which 245,470 have been issued and are outstanding as fully paid and non-assessable and the balance of 237,820 shares represented by Voting Trust Certificates are subject to issuance as follows:

Employees' stock options expiring 1 April, 1974 at \$7.50 for sales personnel and \$12.00 for head office personnel and executives.	84,100
Share purchase warrants outstanding which must be exercised on or before 31 December 1975.	153,720
	237,820
245,470 shares deposited with Voting Trust	245,470
	483,290

NOTE: 450 common shares represented by certificates registered in the names of the Directors in order to qualify them as Directors pursuant to the requirements of The Canadian and British Insurance Companies Act and which are not subject to the Voting Trust arrangement are not being listed at this time.

2. HISTORY

The Company was incorporated pursuant to a Special Act of the Parliament of Canada entitled "An Act to incorporate Income Disability and Reinsurance Company of Canada", Chapter 102, 14-15-16 Elizabeth II and such special act came into force on the 13th day of January, 1968, by a Notice placed in the Canada Gazette by the Superintendent of Insurance. The Company was organized at meetings held on the 16th day of January, 1968. By agreement of same date the Company acquired all the assets and assumed all the liabilities of Executive Life and Disability Company of Canada (hereinafter called "Executive Life") with effect from the first day of March, 1968, being the date upon which a Certificate of Registry was issued by the Minister of Finance in accordance with the Canadian and British Insurance Companies Act and pursuant to the provisions of the aforesaid Special Act.

Executive Life was incorporated under the Laws of the Province of Ontario by Letters Patent dated 19 September, 1960, under the name Income Insurance Company of Canada Limited. Supplementary Letters Patent dated 19 January, 1961, changed the name to Income Insurance Company of Canada and Supplementary Letters Patent dated 5 May, 1961, changed the objects of the Company. Supplementary Letters Patent

dated 23rd February, 1965, changed the name to Income Disability and Reinsurance Company of Canada and Supplementary Letters Patent dated 2 May, 1967, changed the name to Executive Life and Disability Company of Canada. Executive Life was authorized and licenced to transact the business of accident insurance and sickness insurance in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

3. NATURE OF BUSINESS

The Company is a life insurance company with a Certificate of Registry granted under the Canadian and British Insurance Companies Act, dated March 1, 1968, authorized to transact the business of life insurance, personal accident insurance and sickness insurance. The Company has an administrative staff of 17 and a field force of 7 full time agents and a variable number of part time agents. The Company is presently licenced to underwrite life insurance, personal accident and sickness insurance in the Provinces of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

4. INCORPORATION

The Company was incorporated by Special Act of the Parliament of Canada as Chapter 102, 14-15-16 Elizabeth II with an authorized capital of Five million dollars (\$5,000,000) divided into one million (1,000,000) common shares with a par value of Five Dollars \$(5.00) each in the capital of the Company.

5. SHARE ISSUES DURING PAST TEN YEARS

A. INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA

Date	Number of Shares	Amt. Realized per Share	Total Amt. Realized	Purpose
18 Jan./68	500	\$5.00	\$2,500.00	Directors' qualifying shares
1 Mar./68	245,420	\$9.75	\$2,386,004.00	Issued to Executive Life and Disability Company of Canada pursuant to agreement with the Company. Subsequently transferred to Depositary under Voting Trust Agreement

B. EXECUTIVE LIFE AND DISABILITY COMPANY OF CANADA

When Executive Life and Disability Company of Canada was incorporated under The Corporations Act of Ontario by Letters Patent dated the 19th of September, 1960, it was a private Company with an authorized capital of \$1,500,000 divided into 15,000 shares of the par value of \$100.00 each. By Supplementary Letters Patent dated 23rd of February, 1965, the Company was converted into a public company and all of the then issued shares, namely 2,271 shares and all the unissued shares namely 12,729 shares each of the par value of \$100.00 were subdivided and changed into 45,420 issued shares and 254,580 unissued shares with a par value of \$5.00 each, and the authorized capital was increased from \$1,500,000 to \$5,000,000 by creating an additional 700,000 shares with a par value of \$5.00 each ranking on a parity with existing shares of the Company. Pursuant to a prospectus dated the 9th day of April, 1965, an additional 175,000 common shares with a par value of \$5.00 each were issued and by agreement dated March 2nd, 1965, between the Company and the underwriter, the Company granted the underwriter an option upon 25,000 shares of its capital stock. Said option was exercised by the underwriter. The total shares issued by Executive Life and Disability Company of Canada was therefore 245,420.

6. STOCK PROVISIONS AND VOTING POWERS

The Company entered into an Agreement dated as of the 16th day of January, 1968 (hereinafter referred to as the "Voting Trust Agreement") with Hamilton Trust and Savings Corporation (therein and herein referred to as the "Depositary"). All of the issued shares of the Company are deposited with the Depositary pursuant to the terms of the Voting Trust Agreement, except 450 directors' qualifying shares.

The Voting Trust Agreement contains the following provisions:

TERM — The Voting Trust commences as of the 16th of January, 1968, and expires on the 31st day of December, 1975.

TRUSTEES — There is to be a Board of Trustees of said Voting Trust consisting of not less than 4 and not more than 7 trustees. The present Trustees are: William Ewen Brunning, William Richard Latimer, Charles Alfred Read, Halliwell Soule and Donald G. Ross.

TRANSFERS — Voting Trust Certificates are freely transferable in whole or in part as the holder so desires.

RIGHTS OF HOLDERS OF VOTING TRUST CERTIFICATES — At termination — the Voting Trust Certificates to be issued by the Depositary shall entitle the registered holder thereof upon surrender to the Depositary after the termination of the Voting Trust Agreement, to delivery of the number of shares of the Company then represented by such Voting Trust Certificates. Dividends — Pending termination, holders of Voting Trust Certificates shall be entitled to receive from time to time payments equal to the cash dividends collected by the Depositary upon the number of shares of the Company specified in such Voting Trust Certificates. Stock dividends received by the Depositary in respect of the deposited shares shall be held by the Depositary subject to the terms of the Voting Trust Agreement, in which case the Depositary shall issue new Voting Trust Certificates (or fractional certificates) for the appropriate amount of shares in the Voting Trust representing such stock dividends to the respective holders of the then outstanding Voting Trust Certificates. Transfers — Holders of Voting Trust Certificates or fractional certificates shall not be thereby constituted shareholders of the Company. Voting Trust Certificates will be transferable only on the books of the Depositary at its office in Hamilton

or at such other place or places as the Trustees and the Company may determine on surrender thereof properly endorsed by the registered holder thereof in person or by attorney duly authorized in writing and in accordance with any rules or regulations that may be from time to time established for such purpose by the Depositary with the concurrence and approval of the Trustees. Rights — If at any time during the term of the Voting Trust Agreement the holders of common shares of the Company become entitled to exercise any rights of subscription in respect of any shares and/or securities of the Company, such rights will be made available to the holders of Voting Trust Certificates representing the shares to which such rights may appertain. If the exercise of such rights of subscription results in the issuance of shares in the Company carrying voting rights, the Depositary shall issue new Voting Trust Certificates in respect of such shares to the parties entitled thereto. TRUSTEES — Until the Voting Trust Agreement is terminated and the Voting Trust dissolved, the Trustees shall exclusively possess and be entitled to exercise all shareholders' rights of every kind in respect of all deposited shares and all additional shares of the Company that may at any time be deposited or in any way be subjected to the terms of the Agreement, including the right to vote and to take part in, or consent to any corporate or shareholders' action in respect of and as holders of all and any such shares; provided, however, the holders of Voting Trust Certificates shall be entitled to notice of all meetings of shareholders and to be present at such meetings. The Depositary, if so required by the Trustees, shall itself vote, take part in or consent to any corporate or shareholders' action in accordance with the instructions from time to time given in writing to the Depositary by the Trustees. Any of the deposited shares may be transferred into the name of any persons designated by the Trustees so as to qualify such person as a Director of the Company, but subject always to the interest of the Depositary therein.

A quorum of Trustees shall be a majority of the Trustees then in office present in person. Each shall be entitled to one vote on each question arising at any meeting of Trustees and at all meetings of Trustees, every question shall be decided by a majority of the votes cast on the question, and in the case of equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote. Any Trustee may be a director or officer or a representative or agent of the Company and no person shall be disqualified from acting as a Trustee by reason of any personal interest, either direct or indirect, in the Company or any of its securities. A Trustee in his personal capacity may purchase and sell Voting Trust Certificates. The Trustees shall not be entitled to remuneration for acting as such unless the directors of the Company shall otherwise determine and the Company pay such remuneration. The amount of such remuneration shall be determined by the directors of the Company. There is no present intention on the part of the directors to authorize remuneration for Trustees for at least two years. A Trustee may resign of his own volition upon giving one month's notice in writing to the Company and vacancies shall be filled by the remaining Trustees so that there is at all times a Board of not less than 4 Trustees. Whenever there are not at least 4 Trustees in office, the Trustee or Trustees then in office shall forthwith call a general meeting of the holders of Voting Trust Certificates to fill the vacancies and in default or if there are no Trustees then in office, the meeting shall be called by the Depositary within 21 days after the deposit with the Depositary of a requisition in writing signed by any Voting Trust Certificate holder requesting such meeting and at any such meeting each Voting Trust Certificate holder shall have one vote for each share in the Voting Trust held by him.

DEPOSITARY — All remuneration and expenses of the Depositary shall be paid by the Company.

The Depositary may at any time resign by giving to the Trustees one month's notice in writing of such resignation.

GENERAL — The Voting Trust Agreement may be amended if such amendment be approved by at least two-thirds of the votes cast at a meeting of the Trustees duly called to consider such amendment and is thereafter approved by at least two-thirds of the votes cast at a general meeting of the holders of Voting Trust Certificates duly called for the purpose of considering such amendment and for the purposes of such meeting only, each Voting Trust Certificate holder shall have one vote for each full share in the Voting Trust held by him.

The Trustees may terminate the Voting Trust Agreement at any time in their sole discretion if they deem this is to be in the interests of Voting Trust Certificate holders.

In the event that the Trustees in their sole discretion determine that it is in the interests of the holders of Voting Trust Certificates that all or any number of the shares of the Company deposited within the Voting Trust should be sold, the Trustees may at any time or from time to time sell all or any number of the said shares of the Company so deposited. No such sale shall be made unless the same be approved by at least three-quarters of the votes cast at a meeting of the Trustees duly called to consider such sale and thereafter be approved by at least three-quarters of the votes cast at a general meeting of holders of Voting Trust Certificates. The funds or other consideration received from any such sale shall be divided amongst the holders of Voting Trust Certificates in direct proportion to the number of shares in the Voting Trust respectively held by said holders immediately prior to such sale.

7. DIVIDEND RECORD

The Company has not paid any dividend on its shares. Executive Life has not paid any dividend on its shares.

8. RECORD OF PROPERTIES

Head Office premises of the Company in Hamilton are leased until 1969. The Company has one sales office in Toronto in leased premises, said lease expiring in 1969.

9. SUBSIDIARY COMPANIES

The Company has no subsidiary companies.

10. FUNDED DEBT

The Company has no funded debt.

11. OPTIONS, UNDERWRITINGS, ETC.

(a) In accordance with the Agreement dated 16 January, 1968, between the Company and Executive Life whereby the Company took over the assets of Executive Life and assumed all the liabilities of Executive Life, the Company has reserved 84,100 common shares in the capital stock of the Company with a par value of Five Dollars (\$5.00) each for Employees' stock options. The options granted to field personnel are at a price the greater of 85% of the market price when granted or \$7.50 per share. The options granted to Head Office personnel are at a price the greater of 85% of the market price when granted or \$12.00 per share. All options must be exercised on or prior to 1 April, 1974.

(b) 153,720 share purchase warrants are outstanding and must be exercised on or before December 31, 1975, at the following prices per share:

\$12.00 until December 31, 1970

\$14.00 thereafter until December 31, 1972

\$16.00 thereafter until December 31, 1975.

(c) There are no underwriting agreements outstanding.

(d) There are no issued shares of the Company held for the benefit of the Company.

12. LISTING OF OTHER STOCK EXCHANGES

There are no securities of the Company listed on any other Stock Exchange.

13. STATUS UNDER SECURITIES ACTS

Prospectus dated 9 April, 1965, in respect of 175,000 common shares with a par value of Five Dollars (\$5.00) each in the capital stock of Executive Life and Disability Company of Canada under its then name Income Disability and Reinsurance Company of Canada which was filed with the Ontario Securities Commission and the relevant authorities in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Nova Scotia.

14. FISCAL YEAR

The fiscal year of the Company ends as of December 31st each year.

15. ANNUAL MEETINGS

The By-Laws of the Company provide that the annual meeting of the Company shall be held at the Head Office of the Company or at such other place in Canada on the second Wednesday in April in each year. No annual meeting of shareholders of the Company has as yet been held. The Annual Meeting of Executive Life and Disability Company of Canada held 10 April, 1968.

16. HEAD AND OTHER OFFICES

The Head Office is located at Suite 1202, 105 Main Street East, Hamilton, Ontario. The Company has an Executive and Sales Office at Suite 1720, 120 Adelaide Street West, Toronto, Ontario.

17. TRANSFER AGENT

The Transfer Agent for both the shares of Capital Stock and the Voting Trust Certificates is Hamilton Trust and Savings Corporation at its office in Toronto, Ontario and in Hamilton, Ontario. Guaranty Trust Company of Canada Stock Transfer Department at 88 University Avenue, Toronto will act as agent for Hamilton Trust and Savings Corporation in Toronto.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary Government stock transfer taxes.

19. REGISTRAR

The Registrar for both shares in the Capital Stock and Voting Trust Certificates is Hamilton Trust and Savings Corporation, Toronto, Ontario and Hamilton, Ontario. Guarantee Trust Company of Canada Stock Transfer Department at 88 University Avenue, Toronto will act as agent for Hamilton Trust and Savings Corporation in Toronto.

20. AUDITORS

McDonald Currie & Co., Hamilton, Ontario.

21. OFFICERS

The Officers of the Company are:

NAME	OFFICE	HOME ADDRESS
William Ewen Brunning	President	Suite 3203, Sutton Place, 965 Bay Street, Toronto
Charles Patrick Flood	Secretary	176 Taylor Road Ancaster, Ontario

DIRECTORS

NAME	HOME ADDRESS
Wiliam Ewen Brunning	Suite 3203, Sutton Place, 965 Bay Street, Toronto, Ontario
Charles Patrick Flood	176 Taylor Road, Ancaster, Ontario
William Richard Latimer	6 Tintagel, Don Mills, Ontario
Halliwell Soule	587 Sharalin Ct., Burlington, Ontario
Charles Alfred Read	48 Roslyn Crescent, Winnipeg 13, Manitoba
Donald G. Ross	34 Whitney Avenue, Toronto 5, Ontario
Barney Rosenblatt	67 Winston, Hamilton, Ontario
Wilson John Lee	14708 Park Dr., Edmonton, Alberta
Cecil Ross Ball	128 Glencairn Avenue, Toronto 12, Ontario

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

INCOME DISABILITY AND REINSURANCE
COMPANY OF CANADA

Per:



“WILLIAM EWEN BRUNNING” President

“CHARLES P. FLOOD”, Secretary

Distribution of Voting Trust stock as of March 31st, 1968

Number	Shares
130 Holders of 1 — 24 share lots	1,332
585 " " 25 — 99 " "	25,946
268 " " 100 — 199 " "	29,194
80 " " 200 — 299 " "	16,967
43 " " 300 — 399 " "	13,480
15 " " 400 — 499 " "	6,050
35 " " 500 — 999 " "	19,820
37 " " 1000 — up " "	131,731
<u>1193</u> Shareholders	Total shares <u>244,520</u>

INCOME DISABILITY AND REINSURANCE COMPANY OF CANADA
BALANCE SHEET AS AT MARCH 1, 1968

UNAUDITED

INVESTMENTS

Bonds and Debentures	\$1,285,492	
Short Term Deposits	136,993	
Mortgages	1,617,228	
Common Shares	90,575	
	<u>\$3,130,288</u>	
Interest due and accrued	32,236	
		<u>\$3,162,524</u>
Cash on hand and in Banks		41,324
Outstanding Premiums Receivable		56,672
Amounts due from Reinsurers		163,023
Deposits		1,110
Cash Surrender Value of Life Insurance Policy		5,395
Special Refundable Tax		4,953
		<u>\$3,435,001</u>
Provision for Unearned Premiums	\$ 146,837	
Provision for Unpaid and Unreported Claims	345,506	
Provision for Contingencies	359,435	
Investment Reserve	100,000	
Deposit Premiums Pending Policy Issue	10,221	
Premium Taxes Payable	18,890	
Other Liabilities	67,881	
		<u>\$1,048,770</u>
Capital and Surplus		
Capital stock—Authorized 1,000,000 shares of \$5.00 par value each	\$1,229,600	
—Issued 245,920 shares		
Surplus	1,156,631	
		<u>\$2,386,231</u>
Certified True Copy of Balance Sheet as at March 1, 1968.		<u>\$3,435,001</u>

CHARLES P. FLOOD, Secretary to
Income Disability and Reinsurance Company of Canada

FINANCIAL STATEMENTS

EXECUTIVE LIFE AND DISABILITY COMPANY OF CANADA*

*NOTE: See information
under "History"
on Page 1

BALANCE SHEET AS AT DECEMBER 31, 1967

ASSETS

	1967	1966	1965
Investments—			
Bonds and debentures (note 1)	\$1,323,858	\$ 779,816	\$ 670,316
Short term deposits	56,464	—	—
Demand loan secured by notes	—	125,000	—
Mortgages	1,585,411	1,623,747	1,721,398
Common shares (note 1)	82,700	77,200	77,200
	<u>3,048,433</u>	<u>2,605,763</u>	<u>2,468,914</u>
Interest due and accrued	28,325	19,249	16,002
	<u>3,076,758</u>	<u>2,625,012</u>	<u>2,484,916</u>
Cash on hand and in banks	10,395	106,892	7,941
Outstanding premiums receivable	40,149	25,880	47,300
Amounts due from reinsurers (note 2)	163,023	28,421	1,553
Deposits	1,110	510	—
Cash surrender value of life insurance policy	5,263	3,912	—
Special refundable tax	3,896	—	—
Deferred mortgage finders' fees, less amounts written off (note 3)	—	—	15,585
	<u>\$3,300,594</u>	<u>\$2,790,627</u>	<u>\$2,557,295</u>

SIGNED ON BEHALF OF THE BOARD

WILLIAM E. BRUNNING, Director

CHARLES A. READ, Director

LIABILITIES, CAPITAL AND SURPLUS

	1967	1966	1965
Provision for unearned premiums (note 4)	\$ 91,536	\$ 80,744	\$ 56,273
Provision for unpaid and unreported claims	298,914	155,979	158,245
Provision for contingencies	330,766	103,249	18,627
Morbidity fluctuation reserve	—	19,600	—
Investment reserve (note 1)	100,000	91,455	—
Deposit premiums pending policy issue	10,091	7,814	6,509
Premium taxes payable	15,613	14,175	10,414
Other liabilities	67,670	12,526	16,447
	<u>914,590</u>	<u>485,542</u>	<u>266,515</u>
Capital and surplus (notes 5 and 6)			
Capital stock—Authorized 1,000,000 shares of \$5.00 par value each			
—Issued 245,420 shares	1,227,100	1,227,100	1,227,100
Surplus	1,158,904	1,077,985	1,063,680
	<u>2,386,004</u>	<u>2,305,085</u>	<u>2,290,780</u>
	<u>\$3,300,594</u>	<u>\$2,790,627</u>	<u>\$2,557,295</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1967

1. BONDS AND COMMON SHARES

Bonds are carried at cost and common shares at book value which is less than cost and the aggregate is \$155,145 more than quoted market values at December 31, 1967. An investment reserve has been set up to provide for this deficiency to the extent of \$100,000 which is \$61,663 more than that required by the Department of Insurance of the Province of Ontario.

2. AMOUNTS DUE FROM REINSURERS

The major part of the amounts due from reinsurers represents receivables which were outstanding prior to October 1, 1967. Ordinarily this asset would be inadmissible under the insurance laws of the Province of Ontario. In view of the circumstances surrounding this debt, the Department of Insurance has agreed to admit this receivable as an asset of the company.

The net effect of this treatment was to increase 1967 earnings by \$31,922, to increase 1966 by \$3,167 and decrease 1965 by \$39,074. The latter two figures have been charged to surplus as an adjustment of prior years' earnings.

3. FINDERS' FEES

In the year 1966, the balance of finders' fee amounting to \$15,585 was charged to investment income. This is inconsistent with 1965 during which \$2,655 was charged to operations. If the same practice had been followed during 1966 and 1967, \$3,480 would have been charged to operations in each of these years.

4. PROVISIONS FOR UNEARNED PREMIUMS

In 1966 and 1967 the provision for unearned premiums was reduced by the prepaid portion of reinsurance contracts ceded. In previous years the provision was reduced by only that portion of the prepaid reinsurance contract that related to the period covered by the current premiums in force. If this practice had been followed during 1965 the net loss would have decreased by \$8,209 and the net income for 1966 would have decreased by a similar amount.

5. SHARE PURCHASE WARRANTS

153,720 share purchase warrants are outstanding and must be exercised on or before December 31, 1975, at the following prices per share:—

\$12.00 until December 31, 1970
\$14.00 thereafter and until December 31, 1972
\$16.00 thereafter and until December 31, 1975

Included in the above are 15,000 share purchase warrants issued since the date of the prospectus through the cancellation of 15,000 options to purchase shares.

6. OPTIONS TO PURCHASE SHARES

The company had 84,100 shares reserved for options as follows:—

	Greater of 85% of market value or—		
	\$7.50	\$12.00	Total
Total shares reserved	62,300	21,800	84,100
Earned or granted	400	9,800	10,200
Balance available	<u>61,900</u>	<u>12,000</u>	<u>73,900</u>

Options at 85% of market value or \$7.50 are available to sales personnel only.

All options may be earned or granted on a formula established by the Board of Directors and these must be exercised upon certain dates specified by the Board but no later than April 1, 1974. No options were exercised during 1967.

7. DEFERRED PAST SERVICE PENSION COSTS

During the year the company established an executive pension plan. The past service costs which arose are being amortized and funded over a period of four years. The balance of the past service costs unfunded and deferred as at December 31, 1967 amounts to \$51,615.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Executive Life and Disability Company of Canada as at December 31, 1967 and the related summaries of operations and surplus for the year ended on that date, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records as we considered necessary in the circumstances.

We have accepted the certification by the actuary of the company for the claims reserves and other actuarial liabilities.

Subject to the qualification in the preceding paragraph the accompanying balance sheet and related summaries of operations and surplus present fairly the financial position of the company as at December 31, 1967, in accordance with accounting practices appropriate to the insurance laws of the Province of Ontario, except as referred to in Note 2 applied on a basis consistent with that of the preceding year except as referred to in Notes 2 and 3 with which we concur.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Hamilton, February 20, 1968

EXECUTIVE LIFE AND DISABILITY COMPANY OF CANADA

SUMMARY OF OPERATIONS

For the Year Ended December 31, 1967


	1967	1966	1965
SURPLUS—BEGINNING OF YEAR	\$1,077,985	\$1,063,680	\$ 737
Add: Net income (loss) for the year	105,771	121,448	(162,307)
Surplus arising from the premium on the issue of 200,100 shares	—	—	1,225,250
Morbidity fluctuation reserve—no longer required	19,600	—	—
Increase in cash surrender value of life insurance policy (not previously recorded)	—	3,912	—
	<u>1,203,356</u>	<u>1,189,040</u>	<u>1,063,680</u>
Less: Appropriations—			
Investment reserve	8,545	91,455	—
Morbidity fluctuation reserve	—	19,600	—
Adjustment of prior years' earnings (note 2)	35,907	—	—
	<u>44,452</u>	<u>111,055</u>	<u>—</u>
SURPLUS—END OF YEAR	<u>\$1,158,904</u>	<u>\$1,077,985</u>	<u>\$1,063,680</u>

EXECUTIVE LIFE AND DISABILITY COMPANY OF CANADA

SUMMARY OF OPERATIONS

For the Year Ended December 31, 1967

	1967	1966	1965
Premium income	\$1,032,243	\$ 912,526	\$ 685,954
Net investment income	179,372	137,302	92,610
	<u>1,211,615</u>	<u>1,049,828</u>	<u>751,564</u>
Net claims paid	343,711	317,605	217,957
Increase in claims reserve	142,935	11,672	130,684
Increase in unearned premium reserve	10,792	24,470	6,868
Increase in other special reserves	89,871	70,684	3,940
Commissions to agents	107,921	116,682	99,737
Increase in agents' balances	(50,161)	11,086	91,633
Agents' balances written off	34,926	11,039	—
Premium taxes	19,502	17,041	13,019
Other taxes, licenses and fees	1,409	1,578	2,673
Other operating expenses	404,938	346,523	347,360
	<u>1,105,844</u>	<u>928,380</u>	<u>913,871</u>
Net income (loss) for the year (notes 2, 3 and 4)	<u>\$ 105,771</u>	<u>\$ 121,448</u>	<u>\$ (162,307)</u>



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